

BAYSHORE BEACH CLUB, INC.
BOARD OF DIRECTORS MEETING
Saturday November 19, 2022

In Attendance

Kenn Apel, President	Division 1
Steve Sager, Director	Division 3
Tom Hurt, Vice President	Division 4
Carolyn Gardner, Corp Sec	Division 5
Storr Nelson, Director	Division 5
Vivian Mills, Director	Division 6
William Nightingale, Director	Division 7
Michael Vest, Director	Division 7

Absent

Kate Guptill, Director	Division 1
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President Apel welcomed everyone to the hybrid clubhouse and zoom meeting and Corporate Secretary Gardner determined a quorum was present. The Board of Directors’ Meeting was called to order by President Apel at 1:00 pm.

Approval of Minutes

President Apel asked if there were any changes before accepting the Minutes of the Board of Directors’ Meeting on October 15, 2022.

Motion: Director Nightingale moved and was seconded by Director Mills to correct the name of the Director who stated “Due to resignations, the Bylaws Task Force requests two new members for the group” under the Bylaws Task Force section, from Director Nightingale to Director Guptill. Vote was taken, motion passed 8-0.

Apel	Yes	Vest	Yes
Hurt	Yes	Guptill	N/A
Nightingale	Yes	Nelson	Yes
Sager	Yes	Mills	Yes
Gardner	Yes		

Motion: Director Nightingale moved and was seconded by Director Mills to accept the meeting minutes of October 15, 2022 including the correction of the Director’s name that stated, “Due to resignations, the Bylaw Task Force requests two new members for the group,” from Director Nightingale to Director Guptill. Vote was taken, motion passed 8-0.

Apel	Yes	Vest	Yes
Hurt	Yes	Guptill	N/A
Nightingale	Yes	Nelson	Yes
Sager	Yes	Mills	Yes
Gardner	Yes		

GOOD NEWS:

1. Thank you, Director Vest, for the considerable amount of time you spent on the new sound system at Bayshore’s Clubhouse, finding the right sound equipment to purchase, saving Bayshore money, and installing the new sound system. Thank you, Facility Manager Tunison, for your help with this project as well!

Other: Corporate Secretary Gardner asked that Members send their best wishes to Rebecca Hayden, please send good thoughts and/or a note if you have her address.

REPORTS:

FINANCIALS: Report submitted. No action item.

FACILITIES: No Report. No action item.

PLANNING COMMITTEE: Report Submitted. One action item:

Member Mark Mugnai resigned from the Planning Committee due to a part-time job he received. The planning committee appreciates the work he gave.

Quick reminder from Director Vest to please notify the Planning Committee or Office when a project is complete. The planning committee had over 110 active files last month, and closed out 25.

1. The Planning Committee recommended a \$500.00 Nuisance/Noxious fine be given to a member who set off illegal fireworks on July 2nd, which caused substantial fire damage to the member’s house. The member already volunteered to pay the fine, and this Motion is the formality of working through the procedure of the BOD approval of the fine.

Motion: Director Nightingale moved and was seconded by Director Mills to approve the \$500.00 Nuisance/Noxious fine given to a member who caused significant fire damage to his house on July 2nd when setting off illegal fireworks. Vote was taken, motion passed 7-1.

Apel	Yes	Vest	Yes
Hurt	Yes	Guptill	N/A
Nightingale	Yes	Nelson	Yes
Sager	No	Mills	Yes
Gardner	Yes		

President Apel reminder: If there is no Action Item on a report, the BOD will trust that Members read the reports as they come out.

LONG-RANGE RESERVE/PHYSICAL ASSETS. No Report. No action item.

SAFETY COMMITTEE. No Report. No action item.

POLICIES AND PROCEDURES COMMITTEE. Report Submitted. No action item.

SOCIAL COMMITTEE: Report Submitted. No action item.

COMMUNICATIONS COMMITTEE: Report Submitted. No action item.

BUDGET/FINANCE: No Report. No action item.

CANAL: No Report. No action item.

TASK FORCES:

BEACH ACCESS TASK FORCE: No Report. No action item.

TASK FORCE FOR NON-DISCRIMINATORY LANGUAGE: No Report. The review of all documents for non-discriminatory language is finished. President Apel thanked Director Mills for her help. Bayshore’s attorney will provide the BOD with the legal forms so the documents can be submitted.

BYLAWS TASK FORCE: No Report. No action item.

Motion: Director Nelson moved and was seconded by Director Mills to accept all Reports for the Minutes. Vote was taken, motion passed 8-0.

Apel	Yes	Vest	Yes
Hurt	Yes	Guptill	N/A
Nightingale	Yes	Nelson	Yes
Sager	Yes	Mills	Yes
Gardner	Yes		

Motion Discussion: Director Mills questioned if the Bylaws Task Force will require a motion for the two new members that are wanted for the committee due to resignations. President Apel stated that this topic will be discussed at the next meeting in January 2023 due to Director Guptill’s absence.

UNFINISHED BUSINESS:

1. Artisans Group Update: Member Robin Adcock updated the members and BOD with two reminders: the Christmas Bazaar and the Bayshore Clubhouse decorating party:

Bayshore Artisans are presenting a Christmas Bazaar on Dec. 3rd and 4th at the Bayshore Clubhouse. The tables are full both days, with 21 vendors each day. Some of the items for sale are: fabric, quilts, placemats, purses, totes, zippered pouches, aprons, wood working, Xmas cards, homemade yarn, rock pictures, and water colors, just to name a few.

The Sunday after Thanksgiving, the Artisan’s will decorate the Clubhouse for the Christmas Party on December 17th.

2. Update on Capital Projects:

- **Mackey Park:** The play set for Mackey Park will arrive on February 20, 2023. Artisans will add the concrete bases for the gazebo soon.
- **ADA compliant remodel plan for the clubhouse:** Member John Gardner shared some news as he mentioned that he could not find an architect that was interested in the Bayshore clubhouse project, until he met Dietmar Goebel, an architect in Newport. An architect intern is also available and thought a small project would be good at this time, and is excited to work alongside of member Jana Hanford, who is an architect herself. Member Hanford and Member Lynda Apel already spent much

time taking measurements of the clubhouse. The group’s first meeting will be held on the first Friday of January 2023. An estimate of what the cost will be for the project will be presented at the January or February Board meeting.

3. Appeal of BOD fine for failure to follow C&Rs: The BOD (not planning committee) will postpone discussion of the fine until the January meeting. Once the planning committee refers a fine to the BOD and the BOD votes for a fine, it is no longer a planning committee action (though the BOD can request input from the PC).

4. Ongoing annual sand maintenance agreement for beach accesses: President Apel worked with Terry Thissell to develop a one-year agreement for Mr. Thissell to clear out three beach access. See **Appendix A** for the agreement.

Motion: Director Nightingale moved and was seconded by Director Gardner to move forward with the Sand Maintenance contract. Vote was taken, motion passed 7-1.

Apel	Yes	Vest	No
Hurt	Yes	Guptill	N/A
Nightingale	Yes	Nelson	Yes
Sager	Yes	Mills	Yes
Gardner	Yes		

NEW BUSINESS:

1. **Bayshore Tax Code Status:** President Apel consulted with Bayshore’s attorney and a CPA to get a final word on Bayshore’s tax code status. See **Appendix B** for details.

2. **Member Agenda Items:** A Member requested to reserve the Bayshore Clubhouse on a Saturday that the Board of Director’s meeting will be held. A short discussion took place, and although the Board would like to accommodate the request, the Bayshore Bylaws state that the Board of Directors meeting must be held on the third Saturday of the month at 1:00 pm.

Motion: Director Sager moved and was seconded by Director Nightingale that due to Bayshore Bylaws, Bayshore cannot accommodate the date requested to reserve the Bayshore clubhouse due to the conflicting day/time of the BOD meeting. Vote was taken, motion passed 7-1.

Apel	Yes	Vest	Yes
Hurt	Yes	Guptill	N/A
Nightingale	Yes	Nelson	No
Sager	Yes	Mills	Yes
Gardner	Yes		

Motion Discussion: Member Debbie White, Chair of the Policies & Procedure committee, suggested Bayshore could possibly make a change to the Bylaws to add flexibility to the time of day the meeting is held, but would be too late to accommodate this member’s request.

MEMBERS COMMENTS:

- **Member Kathryn Lansing** is concerned about the future of Bayshore, as she considers Bayshore her “happy place.” Member Lansing is concerned about the proposed change to page 7 of the current Guidelines of Determination (based on Article 2 Subsection 10 of the C&Rs), that would change the language regarding the

use of sprinter type vans. Member Lansing believes the language is too broad and thinks members may take advantage of the broad description which would open the door to oversized vehicles in Bayshore. “They will sit in driveways, as they don’t fit in the garage” voiced Member Lansing, and “will depreciate the value of Bayshore’s properties, as they are almost as tall as a house.” Member Lansing requested the BOD shelve this proposed change until research can be done and members can vote on it.

- Member Pam Sturgeon agreed with Member Lansing and believes the wording should be rephrased, and doesn’t reflect today’s climate where people will use this language to subvert the rules.

Member Sturgeon inquired if she is properly editing the Breeze with the information she needs to. President Apel stated there is no general rule in the Policies & Procedures that specifies the meeting minutes need to be added to the Breeze. He also noted that meeting minutes are sent out to the membership as quickly as possible, and after the BOD approval of the minutes, they go on to the Bayshore webpage. If there is a requirement to put something in the Breeze from the Board meeting, the BOD will notify Member Sturgeon.

Comments from BOD:

Director Vest replied to Member Kathryn Lansing stating that the change to the sprinter type vans language would be in the Guidelines for Determination, not the C&Rs (as mentioned by Member Lansing earlier). A C&Rs change would need 75% of the membership to change. Director Vest also noted that C&Rs Article 2 Subsection 10 of the C&Rs refers to trailer storage and RVs are not specifically addressed in the C&Rs, only in the Guidelines for Determination.

Director Vest clarified that the current Guidelines for Determination allow camper vans and trucks with bed/campers (which can be over 12 ft tall). This new language only clarifies that sprinter vans are considered passenger vans.

Director Sager commented that he was not discounting Member Lansing’s thoughts, but that clarifying the sprinter language would not allow members to bring in their RVs that are disallowed via the Guidelines of Determination, regardless of what some Bayshore members might consider.

One member stated the language should read sprinter type *passenger* vans, not sprinter type vans.

EXECUTIVE SESSION: No executive session.

Motion: Director Gardner moved and it was seconded by Director Mills to adjourn the BOD meeting. Vote was taken, motion passed 8-0.

Apel	Yes	Vest	Yes
Hurt	Yes	Guptill	N/A
Nightingale	Yes	Nelson	Yes
Sager	Yes	Mills	Yes
Gardner	Yes		

Adjournment. The meeting was adjourned at 2:03 pm.

Minutes prepared by Kathy Drossel, Bayshore’s Office Coordinator

APPENDIX A

Ongoing Sand Maintenance Agreement

This agreement is made between Terry Thissell and the Bayshore Beach Club, Inc. Specifically, the agreement is for clearing the sand at Beach Accesses 67 B, C, and D three times per year: during the months of May, September, and February. The cost for clearing the three access points would be \$2,800 for the year. This amount covers clearing the access points each of the three months, including either a second time per month or a fourth month. All is dependent on weather. This agreement is valid until January 1, 2024 at which time a renewal of the agreement may be made.

Terry Thissell

Date

Kenn Apel, BOD President

Date

APPENDIX B

1. Bayshore is listed as a 501c4 entity. Several documents going WAY back show that it was originally deemed a 501c4 (December 1964), then the IRS decided to rescind that categorization (April 23, 1983), then Bayshore appealed (August 20, 1985), and they got it back.
2. From information read online, and in these documents mentioned above, among other points, a 501c4 needs to ensure that its “common areas and facilities are for the use and enjoyment of the public.”
3. Bayshore was able to show the pool was open for the use and enjoyment of the public because it allowed Waldport children to have swimming lessons in the pool (4/28/1983). Lessons were once a day for two weeks. It also noted that such facilities as access to the beach, park, playground, etc. were open to the public.
4. The last few years, the lessons were cancelled because of Covid. Previous boards have argued that the pool is serving the general public because individuals who come and rent a short-term rental or STR are general public and they can use the pool (for a cost).

Main points made by Kathleen Profitt and David Schwindt. David is a CPA (Milwaukee, OR) experienced in complex HOA communities. He routinely works with nonprofit civic associations and home owners' associations where tax exemptions are at issue.

1. It is highly doubtful, at best, that stating that amenities offered to renters suffice as serving the general public. Offering the use of the pool via an STR does not appear to be a valid exempt purpose. The individual member renting their unit would be the one offering the benefit, not the Association.
2. If there was a resort fee paid by the renter to the Association, this may get the transaction closer to an exempt activity, but it is still a stretch.
3. Since offering swimming lessons in the past was adequate, this would suffice at providing “common areas and facilities that are for the use and enjoyment of the public.” If the Association was (re)granted 501c4 status due to offering swim lessons to the public (August 1985), that would seem to be the most logical thing to do to keep the status.
4. Section 528 may be an option if Bayshore meets the residential test. This would depend on the amount of rental activity. However, given Bayshore meets the requirements of a 501c4 as spelled out in its successful appeal, there seems to be no reason to look at Section 528.

Bottom line:

Don't rock the boat. If the IRS granted 501c4 status based on the swimming lessons, offer those again and just stay the course.